A3940-3

Recruiting '93

November 1992

College Placement Council, Inc. • 62 Highland Avenue • Bethlehem, PA 18017

The 1992-93 recruiting season is under way, with employers anticipating a better year than last year. Fifty-four percent of the 316 employers responding to the ***Recruiting '93*** survey plan to hire more graduates this year than they did last year. Overall, respondents project hiring 7.7 percent more graduates in 1992-93 than they actually hired in 1991-92. An average of 70 hires per employer is projected for this year compared to an average of 65 actual hires for 1991-92.

By type of industry, services employers plan to increase hiring by 12.5 percent, and manufacturing employers project a 5.4 percent increase. Conversely, government and nonprofit employers intend to decrease their hires by 18.4 percent, due to downsizing and hiring freezes.

Though the hiring outlook shows improvement this year, employers continue to cutback on their recruiting efforts at colleges and universities. Thirty-nine percent of the employers responding to the survey plan to decrease the number of campuses they will visit, and the same percentage plan to maintain the same number of scheduled visits as last year. Overall, responding employers plan to visit 11.3 percent fewer campuses in the 1992-93 recruiting season than they visited last year. In addition, employers are facing further reductions in recruiting budgets which will require them to streamline their efforts and focus on key schools at which to recruit. Employers plan to travel to an average of 23 campuses this year compared with an average of 26 actual campuses visited last year. The percentage of new entry-level hires obtained through on-campus recruiting in 1991-92 averaged 73 percent, ranging from 0 percent (no on-campus recruiting) to 100 percent.

The 1991-92 job market for new college graduates was a buyer's market—and 1992-93 promises to be more of the same. In many disciplines, the projected starting salaries show only slight increases over last year's actual salaries.

At the bachelor's-degree level, starting salaries to accounting and business administration graduates are projected to increase 1.6 percent and 2.8 percent respectively. Engineering graduates can anticipate 3.1 percent higher starting salaries, and computer science graduates are expected to receive starting salaries only 1.8 percent higher than last year's actual starting salaries. In humanities and social sciences, a 1.9 percent increase in starting salaries is projected. A substantial increase of 5.2 percent is expected for starting salaries to nurses.

At the master's-degree level, employers plan to increase starting salaries to business graduates 6.1 percent, while starting salaries to engineering graduates are projected to increase 2.7 percent. Doctoral engineering graduates are expected to receive starting salaries 3.3 percent higher than last year.

Employers consider the outlook for their organizations to be mostly favorable but are still concerned with the overall performance of the economy which could hinder their organizations' recruiting plans. Last year, responding employers had projected an increase in their hiring but had to scale back or cancel recruiting completely because the economy did not improve as anticipated. In addition, respondents indicated that most hiring this year will be for replacements only, to fill positions vacated by turnovers and retirements. Further downsizing by corporations will continue to feed the competition that new graduates will face with experienced job seekers.

Dawn Oberman
Statistical Services Specialist

About The Study

The questionnaires for this report on recruiting projections were mailed on August 17, 1992, to 1,388 employer members of CPC to assess the current job market for new college graduates. Responses were received from 316 employers. The cooperation of the employers who responded to this survey is gratefully acknowlegded by CPC. Published annually, one free copy is provided to members of the College Placement Council and *Salary Survey* subscribers. Additional copies of the report are available to members and subscribers for $20 each. Call CPC's order department at 800/544-5272.

Copyright 1992 by College Placement Council, Inc., 62 Highland Ave., Bethlehem, PA 18017. No part of this publication may be used, adapted, or reproduced in any manner without written permission.

ISBN 0-913936-31-6

Respondents and Recruiting Projections

Questionnaires for ***Recruiting '93*** were sent to 1,388 CPC employer members to assess projected recruiting activity for the 1992-93 recruiting season. A total of 316 employers responded, for a response rate of 22.8 percent. Services employers accounted for 48 percent of the responses; these employers account for a projected 61 percent of the new college graduate hires for 1992-93. Forty-three percent of the responses came from manufacturers; this group is projected to account for 33 percent of the hires. Finally, nonprofit and government employers accounted for 9 percent of the responses. This group is projected to account for 6 percent of the new college graduate hires.

Fifty-four percent of the respondents indicated that they will hire more new college graduates in 1992-93 than they did last year. Sixty percent of services employers and 49 percent of manufacturing employers plan to increase their hiring; however, half of government and nonprofit employers project a decrease in the number of new college graduate hires this year compared to last year.

Overall, 39 percent of the respondents indicated that they will visit fewer campuses this year for the purpose of recruiting new college graduates. The same percentage indicated that they will visit the same number of campuses as last year. The following table provides the industry breakdown on hiring and campus visits for the 1992-93 recruiting season.

Table 1
Respondents and Recruiting Projections

Industry	Number of Respondents	Percent of Total	Hires: +	/ =	/ -	Campus visits: +	/ =	/ -
Services Employers								
Accounting (Public)	6	1.9%	3	2	1	1	1	4
Banking	10	3.2	9		1	2	3	5
Communication Services	8	2.5	5	2	1		4	4
Computer Software / DP	9	2.9	7	2		3	5	1
Consulting Services	6	1.9	4		2	2	2	2
Engineering/Surveying/Environmental	15	4.8	9	1	5	3	8	4
Financial Services	7	2.2	3	2	2	2	1	4
Hospitality	3	0.9	2		1	2		1
Insurance	12	3.8	6		6	2	4	6
Merchandising	23	7.3	16	3	4	8	8	7
Research Organizations	12	3.8	8	3	1	3	4	5
Transportation	7	2.2	3		4	1	2	4
Utilities	32	10.1	15	3	14	8	14	10
Other Services Employers	2	0.6	2					2
Total Services Employers	152	48%	92	18	42	37	56	59
			60%	12%	28%	24%	37%	39%
Manufacturing Employers								
Aerospace*	11	3.5	7	1	3	1	1	8
Agribusiness*	4	1.3	2		2		2	1

* No response by one respondent for campus visit question.

Continued . . .

Table 1 Respondents and Recruiting Projections - continued

Industry	Number of Respondents	Percent of Total	Hires: +	=	-	Campus visits: +	=	-
(Manufacturing Employers Continued)								
Automotive & Mechanical Equipment	13	4.1%	7	1	5	5	7	1
Building Materials & Construction	6	1.9	3		3	3	1	2
Chemicals, Drugs, & Allied Products	21	6.7	10	3	8	1	7	13
Computers & Business Machines	8	2.5	5	2	1	2	5	1
Electrical & Electronic Machinery & Equipment	22	7.0	11	2	9	6	8	8
Food & Beverage Processing	3	1.0			3	1	1	1
Metals & Metal Products	10	3.2	2	3	5	2	4	4
Mining	1	0.3	1			1		
Packaging & Allied Products	1	0.3			1		1	
Paper & Wood Products	6	1.9	3	1	2	1	3	2
Petroleum & Allied Products	11	3.5	4	2	5		2	9
Printing	1	0.3	1				1	
Rubber Products	2	0.6	2			1		1
Scientific Equip. & Industrial Meas. Instruments	5	1.6	4	1		1	4	
Textiles & Apparel	3	1.0	1		2	1	1	1
Widely Diversified	5	1.6	3		2	3	2	
Other Manufacturing Employers	3	1.0	1	1	1	1	2	
Total Manufacturing Employers	136	43%	67	17	52	30	52	52
			49%	13%	38%	22%	39%	39%
Nonprofit Employers								
Education	2	0.6	1		1	1		1
Government (Federal)	16	5.1	3	2	11	1	7	8
Government (State & Local)	5	1.6	2	1	2		4	1
Health Services (incl. Hospitals)	4	1.3	4			1	2	1
Membership Organizations	1	0.3	1				1	
Total Nonprofit Employers	28	9%	11	3	14	3	14	11
			39%	11%	50%	11%	50%	39%
Total Respondents	316		170	38	108	70	122	122
			54%	12%	34%	22%	39%	39%

Number of Hires and Average Starting Salaries

Overall, responding employers project hiring 7.7 percent more new college graduates this year than they actually hired last year. In terms of the number of schools they will recruit at, however, these employers will visit 11.3 percent fewer schools than they did last year. The following table provides the industry group breakdown for these projections.

Table 2
Number of Hires

Industry Group	Number of Hires 92-93	Number of Hires 91-92	Percent Change	Number of Schools 92-93	Number of Schools 91-92	Percent Change
Services Employers	13,470	11,970	12.5%	3,957	4,221	-6.3%
Manufacturing Employers	7,345	6,969	5.4	2,639	3,198	-17.5
Government and Nonprofit Employers	1,275	1,563	-18.4	648	744	-12.9
Total	22,090	20,502	7.7	7,244	8,163	-11.3
Average	70	65		23	26	

Starting salaries are also projected to increase for 1992-93. However, most of these projected increases are very modest and are in line with current inflation. The following table shows the projected starting salaries in each discipline for bachelor's, master's, and doctoral degrees, in comparison to last year's actual starting salaries.

Table 3
Average Starting Salaries

	Average Starting Salary 92-93 Projected	Average Starting Salary 91-92 Actual	Percent Change
Bachelor's Degree			
Accounting	$27,656	$27,230	1.6%
Agriculture	23,167	22,800	1.6
Business (incl. Marketing, Economics & Finance, etc.)	26,870	26,135	2.8
Communications	24,545	23,642	3.8
Computer Sciences	31,396	30,850	1.8
Education	26,040	24,875	4.7
Engineering	34,577	33,532	3.1
Humanities/Social Sciences	25,520	25,045	1.9
Nursing	29,565	28,186	5.2
Sciences	29,878	29,717	0.5
Master's Degree			
Accounting	37,410	35,413	5.6
Business	43,799	41,286	6.1
Computer Sciences	38,375	36,934	3.9
Engineering	40,162	39,098	2.7
Sciences	37,823	37,228	1.6
Doctoral Degree			
Computer Sciences	60,201	55,903	7.8
Engineering	55,003	53,269	3.3
Sciences	50,436	47,712	5.7

Diversity

Information on minority hires for the 1991-92 recruiting season was provided by 232 respondents. These respondents accounted for a total of 12,281 actual new college graduate hires. Minorities accounted for 24.7 percent of those hires. In addition, 244 respondents provided gender information on hires. These respondents accounted for a total of 11,920 actual hires. Nearly 62 percent of those hires were male. The following table provides a breakdown by minority and gender status of 1991-92 new college graduate hires.

Table 4
Diversity

	Number of Hires	Percent of Hires
Black	1,362	11.1%
Hispanic	675	5.5
Native American	46	0.4
Asian/Pacific Islander	946	7.7
Total	3,029	24.7
Men	7,389	61.8
Women	4,571	38.2

Availability of Graduates

Forty-four percent (129) of the 293 respondents indicated that there will be a surplus of graduates in 1992-93 for projected openings. Only 6.1 percent said that a shortage of graduates exists. Note, however, that respondents were permitted multiple responses to the question of availability, and 22.5 percent chose more than one availability category. Those who did so indicated that availability of graduates depends on the graduate's major. Employers indicated that they believe surpluses exist in such fields as accounting, business, liberal arts, and some engineering disciplines. Many employers stated, however, that shortages exist in chemical engineering and advanced degree technical areas. The following table provides the breakdown, by industry group, of graduate availability.

Table 5
Availability of Graduates

	Surplus	Percent of Employer Type	Adequate Amount	Percent of Employer Type	Shortage	Percent of Employer Type	Multiple Response	Percent of Employer Type	Total
Services Employers	67	47.8%	40	28.6%	7	5.0%	26	18.6%	140
% of Availability Category	51.9%		50.0%		38.9%		39.4%		
Manufacturing Employers	50	40.0%	30	24.0%	8	6.4%	37	29.6%	125
% of Availability Category	38.8%		37.5%		44.4%		56.1%		
Nonprofit and Government Employers	12	42.9%	10	35.7%	3	10.7%	3	10.7%	28
% of Availability Category	9.3%		12.5%		16.7%		4.5%		
Total Availability Category	129		146		37		66		293

Regional Recruitment

More employers (38.9 percent) indicated that they recruit nationwide than in any one specific region of the country. In terms of regional recruitment, the largest percentage (26.9 percent) recruit primarily in the Midwest . Ten percent of responding employers indicated that they also recruit for positions located outside of the United States. The following table provides a regional breakdown of recruiting areas. (Totals equal more than 100 percent due to multiple responses.)

Table 6
Regional Recruitment

Region	Number of Respondents in Region	Percent of Respondents in Region	Recruitment by Region	Percent of Respondents
National			123	38.9%
Northeast	17	5.4%	52	16.5
Mid-Atlantic	64	20.4	43	13.6
South	48	15.3	45	14.2
Midwest	102	32.5	85	26.9
Southwest	42	13.4	46	14.6
Rocky Mtn.	6	1.9	15	4.7
West/Pacific	35	11.1	31	9.5
No response	2			

Skills Desired by Employers

Respondents indicated the skills candidates need in order to be prepared for positions with their organizations. Oral and written communication skills and interpersonal skills were most frequently cited. Proficiency in the field of study or technical competence, demonstrated teamwork and leadership abilities, flexibility, analytical skills, computer knowledge, and co-op or internship experience were also listed as desirable. In addition, employers listed problem-solving and decision-making abilities as skills desired in candidates.

Hiring Bonuses

Respondents were asked if they offered compensation above base pay to new college graduate hires. Almost 20 percent of those responding to this question said they provide this in the form of relocation or sign-on bonuses for a specific major or degree level, a high GPA, or co-op or internship experience.

Economic Outlook for Employers

Hiring projections, while an indication for some optimism, continue to be based on the performance of the economy as a whole. Last year, employers had projected an increase in hiring, but many had to scale back their plans or cancel them completely because of the economy. Therefore, respondents were asked to provide the economic outlook for their

organizations for the 1992-93 recruiting season. More than half said their outlook was favorable, with estimated growth ranging from slow and moderate to strong and expanding, but some anticipate no change in current conditions or a further decline.

While plans to hire show an overall increase, many new hires will be replacements—filling vacancies caused by attrition. Because many companies last year experienced lower turnover rates as a result of the economy, there are fewer such vacancies for new graduates. And other new hires will be students moving from co-op or internship positions to permanent positions.

Attitudes

Respondents were asked about changes in attitudes or interests of new graduates during the past recruiting season. Employers indicated that graduates appeared to be more open-minded and more aggressive in pursuing positions. They also noted a greater willingness on the part of graduates to accept positions faster and found graduates to be more flexible in considering the types of positions offered. They saw graduates showing more concern about the job market and securing employment. Consequently, some said that graduates accepted positions because of the uncertainty of the job market but later reneged if a better offer came along.

While some respondents indicated that graduates were more realistic in their salary expectations, others found that graduates' expectations had not changed and said that these graduates limited their opportunities by outpricing themselves.

Employers also said that graduates showed more interest in small companies than in the past. As a result, small employers were able to interview more students than was the case in the past. These employers found that there was less competition in terms of starting salaries because of the tight job market.

Graduates also showed more willingness to relocate to gain access to employment and showed more interest in job security and the stability of the employing organization.

Employer Challenges and Concerns

Respondents were asked to comment on the greatest challenge/concern they expect to face in the 1992-93 recruiting season. The economy continues to be a major concern, with many basing their recruiting plans on the performance of the overall economy.

Even though the job market is tight, employers anticipate competition for the best (top-ranked) graduates. And employers believe they will have to interview many candidates to fill a limited number of openings to secure "the best." Although small employers had an easier time attracting graduates to their organizations in 1991-92, they believe there will be stiff competition with major employers for top graduates.

Diversity also is a major issue with employers. Again, respondents anticipate competition for top minority graduates, specifically in technical fields.

Employers are also concerned about maintaining visibility. Reduced recruiting budgets will require them to be more targeted in their campus recruiting efforts, and they will focus on key schools where they have had recruiting success historically. Moreover, those employers who reduced recruiting last year are concerned about overcoming negative images now that they are recruiting again.